

ASTROTECH CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Income
(In thousands, except per share data)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	2015	2016	2015
Revenue	\$ 196	\$ 12	\$ 1,123	\$ 336
Cost of revenue	354	—	986	281
Gross (loss) profit	(158)	12	137	55
Operating expenses:				
Selling, general and administrative	1,875	1,681	5,832	5,653
Research and development	1,903	659	4,493	2,335
Total operating expenses	3,778	2,340	10,325	7,988
Loss from operations	(3,936)	(2,328)	(10,188)	(7,933)
Interest and other expense, net	86	76	279	112
Loss from continuing operations before income taxes	(3,850)	(2,252)	(9,909)	(7,821)
Income tax benefit	11	894	9	2,953
Loss from continuing operations	(3,839)	(1,358)	(9,900)	(4,868)
Discontinued operations				
Income from discontinued operations	—	—	—	1,303
Income tax expense	—	(753)	—	(3,315)
Gain on sale of discontinued operations	—	—	—	25,630
(Loss) income from discontinued operations	—	(753)	—	23,618
Net (loss) income	(3,839)	(2,111)	(9,900)	18,750
Less: Net loss attributable to noncontrolling interest	(97)	(11)	(268)	(11)
Net (loss) income attributable to Astrotech Corporation	(3,742)	(2,100)	(9,632)	18,761
Less: Deemed dividend to State of Texas	—	—	—	531
Net (loss) income attributable to common stockholders	\$ (3,742)	\$ (2,100)	\$ (9,632)	\$ 18,230
Amounts attributable to Astrotech Corporation:				
Loss from continuing operations, net of tax	\$ (3,742)	\$ (1,347)	\$ (9,632)	\$ (4,857)
(Loss) income from discontinued operations, net of tax	—	(753)	—	23,618
Net (loss) income attributable to Astrotech Corporation	\$ (3,742)	\$ (2,100)	\$ (9,632)	\$ 18,761
Weighted average common shares outstanding:				
Basic	20,636	19,497	20,681	19,561
Basic net (loss) income per common share:				
Net loss attributable to Astrotech Corporation from continuing operations	\$ (0.18)	\$ (0.07)	\$ (0.47)	\$ (0.28)
Net (loss) income from discontinued operations	—	(0.04)	—	1.21
Net (loss) income attributable to Astrotech Corporation	\$ (0.18)	\$ (0.11)	\$ (0.47)	\$ 0.93
Other comprehensive income, net of tax:				
Available-for-sale securities:				

Net unrealized gain (loss), net of tax (expense) benefit of (\$10), (\$5), \$63, and (\$5)	\$	18	\$	8	\$	(117)	\$	8
Reclassification adjustment for realized losses included in net (loss) income, net of taxes of \$0, \$0, \$5, and \$0		—		—		9		—
Total comprehensive (loss) income	\$	(3,724)	\$	(2,092)	\$	(9,740)	\$	18,769

(Unaudited)

ASTROTECH CORPORATION AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In thousands, except share data)

	<u>March 31,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 6,073	\$ 2,330
Short-term investments	17,658	23,161
Accounts receivable, net of allowance	314	198
Inventory	1,536	509
Indemnity receivable	—	6,100
Prepaid expenses and other current assets	470	296
Total current assets	26,051	32,594
Property and equipment, net	3,554	3,108
Long-term investments	4,304	8,516
Total assets	\$ 33,909	\$ 44,218
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 296	\$ 398
Accrued liabilities and other	1,517	1,801
Income tax payable	—	190
Total current liabilities	1,813	2,389
Other liabilities	113	101
Total liabilities	\$ 1,926	\$ 2,490
Commitments and contingencies		
Stockholders' equity		
Preferred stock, no par value, convertible, 2,500,000 shares authorized; no shares issued and outstanding, at March 31, 2016 and June 30, 2015	—	—
Common stock, no par value, 75,000,000 shares authorized; 21,776,381 and 21,864,548 shares issued at March 31, 2016 and June 30, 2015, respectively; 20,612,506 and 20,743,973 shares outstanding at March 31, 2016 and June 30, 2015, respectively	189,164	189,007
Treasury stock, 1,163,875 and 1,120,575 shares at cost at March 31, 2016 and June 30, 2015, respectively	(2,789)	(2,672)
Additional paid-in capital	1,420	1,139
Accumulated deficit	(155,654)	(146,022)
Accumulated other comprehensive loss	(189)	(23)

Equity attributable to stockholders of Astrotech Corporation	31,952	41,429
Noncontrolling interest	31	299
Total stockholders' equity	31,983	41,728
Total liabilities and stockholders' equity	\$ 33,909	\$ 44,218

(Unaudited)